

HYFLUX LTD

Company Registration No: 200002722Z

HYFLUX SECURES RMB 253 MILLION WORTH OF WATER PROJECTS IN CHINA

Hyflux Ltd (“Hyflux”) is pleased to announce that its wholly owned subsidiary, Newspring Utility Pte Ltd (“NUPL”), has been awarded the following four water treatment projects worth RMB 253 million in China.

(1) Waste Water Treatment Plant in Leping, Jiangxi Province, China

NUPL has been granted a 25-year concession by the People’s Government of Leping city, Jiangxi province to design, construct, operate and maintain a 20,000 m³/day waste water treatment plant. The plant, with an estimated value of RMB 40 million, is expected to be completed by mid 2009.

(2) Potable Water Treatment Plant in Yancheng, Jiangsu Province, China

Under a 30-year concession agreement granted by the People’s Government of Yancheng city Jiangsu province, NUPL shall design, construct, operate and maintain a 50,000 m³/day potable water treatment plant. The estimated project value is RMB 80 million and the plant is expected to be completed by end of 2008.

(3) Waste Water Treatment Plant in Guanyun, Jiangsu Province, China

The Management Bureau of Guanyun Economic Development District of Jiangsu province has granted NUPL a 30-year concession to design, construct, operate and maintain a 30,000 m³/day waste water treatment plant. The said plant, estimated at RMB 56 million, is expected to be completed by the end of 2008.

(4) Potable Water Treatment Plant in Guanyun, Jiangsu Province, China

In the same Guanyun Economic Development District of Jiangsu province, NUPL has also been granted a 30-year concession by the Management Bureau of Guanyun Economic Development District to design, construct, operate and maintain a 50,000 m³/day potable water treatment plant. The plant, with an estimated value of RMB 77 million, is expected to be completed by end 2008.

For all the above 4 projects, NUPL has a first right to negotiate for the extension of the concession agreements upon expiry of the respective concession terms.

With the announcement of these 4 projects, the Hyflux Group’s subsidiaries have developed a portfolio of 20 projects to date consisting of desalination plants, waste water treatment, water recycling and potable water treatment plants in China.

The above projects will be funded from the Hyflux Group’s existing term loan facilities

and are not expected to have a material financial impact on the Hyflux Group for the current financial year.

BY ORDER OF THE BOARD

Grace Goh Bee Kheng

Company Secretary

Submitted on 27 March 2007 to SGX-ST